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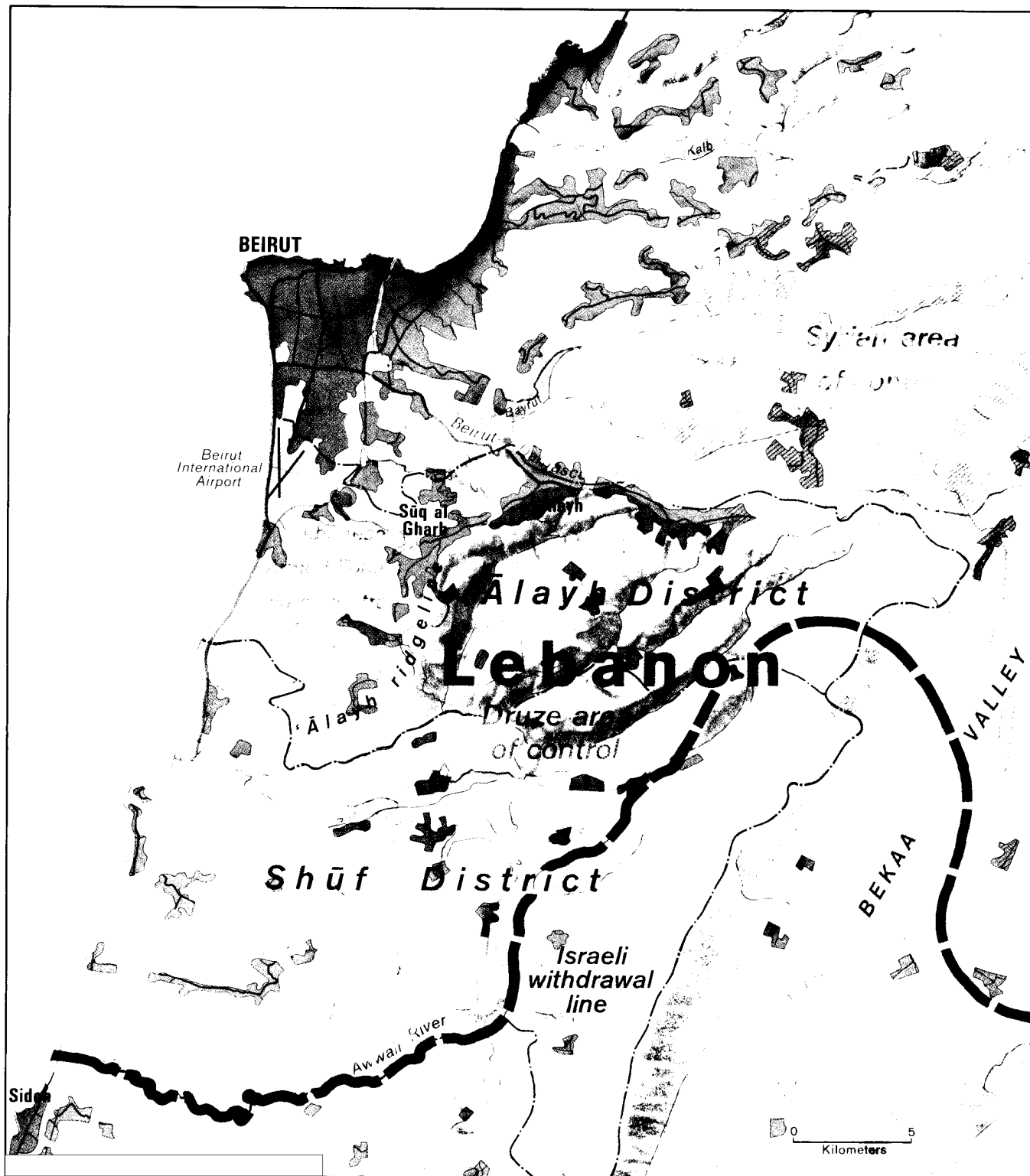


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**LEBANON: Cease-Fire Announcement**

*The cease-fire effective today is likely to be fragile, and negotiations for a political solution will probably bog down as Lebanon's factional leaders press for their maximum demands.* [ ]

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Details of the cease-fire—which will be supervised by unspecified neutral observers—are to be worked out by a committee composed of representatives of the Lebanese Army and the various warring Lebanese factions. [ ]

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According to the agreement, President Gemayel will immediately call for a meeting of Lebanon's factional leaders to discuss national reconciliation. Gemayel, Druze leader Walid Junblatt, Shia spokesman Nabih Barri, and Phalange Party head Pierre Gemayel will be among those attending. Saudi and Syrian observers also will be at the meeting. [ ]

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Artillery exchanges in the mountains near Suq al Gharb reportedly intensified yesterday after the cease-fire was announced.

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Beirut's southern suburbs and the airport also were shelled yesterday. Four US Marines were wounded. [ ]

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**Comment:** The close proximity of Muslim, Druze, and Palestinian forces to Lebanese Army units in Beirut and along the Alayh ridgeline will keep tensions high and almost certainly will lead to violations of the cease-fire. Each side will be tempted to renew military pressure as a means of forcing concessions in political negotiations. [ ]

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The key issue at the reconciliation conference will be Muslim and Druze demands for a significant reduction of Christian political power. Christian extremists and some traditional Shia and Sunni politicians likely will insist that Gemayel accept only cosmetic changes. [ ]

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**UK-NATO: The INF Issue**

*Prime Minister Thatcher is concerned about growing interest among the Allies in making British and French nuclear forces part of arms control negotiations.* [ ]

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British officials are concerned about the reactions of the Allies if the Soviets are successful in portraying British and French nuclear arsenals as the only block to an arms control agreement. The British also are worried that pressure to include their forces in arms control talks could cripple the Trident modernization program, already controversial because of its cost. The US Embassy reports that London is considering issuing a statement linking the size of British nuclear forces to US-Soviet reductions resulting from a future START agreement. [ ]

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**Comment:** Thatcher is opposed to including British nuclear forces in arms control negotiations. In addition, the British see their current and planned nuclear forces as the minimum required for an effective deterrent. Any reduction in them might require a change in the UK's strategic nuclear doctrine. [ ]

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Thatcher hopes the issue will disappear, but the other Allies almost certainly believe that Soviet insistence at Geneva on including British and French forces will continue to pose the greatest threat to an INF agreement. West German Chancellor Kohl, Italian Prime Minister Craxi, and Dutch Prime Minister Lubbers met recently with Thatcher and probably told her it was unrealistic for the US and France to exclude their nuclear arsenals permanently from all arms control forums. [ ]

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West Germany, Italy, and the Netherlands are unlikely to urge delays in initial INF deployments scheduled for this December. Next year, however, they probably will want the US, UK, and France to develop some means of removing this barrier to arms control. [ ]

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There also is considerable domestic pressure in the UK from the Labor and Social Democratic-Liberal opposition to include British weapons in the arms control process, and Thatcher will want to act in concert with the US and France. She may use her visit to Washington to reiterate that London is willing to reduce its nuclear arsenal if the Soviets agree to sharp reductions in their own strategic forces and if the British join the talks. Thatcher does not believe Moscow will accept such reductions, and a statement would be designed primarily to play to public opinion. [ ]

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**UK: Defense Planning Debate**

*A conservative British research organization with close ties to the government has proposed deep cuts in British forces in West Germany, a policy that would have serious repercussions for all NATO countries.* [ ]

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The Adam Smith Institute has issued a report recommending a 50-percent cut in the 55,000-man British Army of the Rhine and using the savings to improve the mobility and firepower of British forces. The report urged creation of a 5,000-man rapid deployment force with five squadrons of Jaguar fighter aircraft. [ ]

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Members of the Institute have been influential with Prime Minister Thatcher and her government. Nonetheless, they have dismissed some of the Institute's domestic policy recommendations as politically unrealistic. [ ]

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For the past few years, some members of Parliament and defense experts who support a stronger Navy and a policy of activism beyond the NATO area have argued that the continental Allies should shoulder a heavier burden in Central Europe. They believe this would free the British for maritime missions. [ ]

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**Comment:** During his recent visit to Washington, Defense Secretary Heseltine reaffirmed his government's commitment to maintaining the British Army of the Rhine, a commitment recently echoed in the white paper for 1983. Major cuts in the Army pose special problems, given legal commitments growing out of postwar agreements and the need to coordinate with the Allies. British initiatives in this area would be likely to have a negative impact on relations with West Germany and probably would prompt other Allies to consider cutting their forces on NATO's Central Front. [ ]

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The pressures to find ways to cut defense spending are intense, however, and the outlook for continued real growth in defense spending is bleak. The new report is a reminder that no element of British defense programs will be immune to cuts. The British Army of the Rhine lacks a fervent domestic lobby, but the government will have to consider commitments to NATO and the likelihood that the Allies would vigorously oppose drastic reductions. [ ]

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**KENYA: Election Outlook**

*The parliamentary elections to be held today probably will strengthen President Moi's position.* [ ]

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Under Kenyan law, Moi and Vice President Kibaki formally were elected on 29 August when no challengers filed in their constituencies. The US Embassy reports government meddling in the electoral process has been subtle, primarily because many prominent members of the opposition are in detention or exile, or are avoiding public politics. There has been only minor campaign violence. [ ]

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**Comment:** Moi, who has most of the voters united behind him and his pro-Western policies, sees the election as an opportunity to solidify his support in parliament. The campaign has focused on the candidates' ties to the regime and their relationship to Moi's chief rival, former Constitutional Affairs Minister Njonjo. The President has moved to ensure the election of key political allies and has made efforts behind the scenes to defeat persons whose loyalties are suspect. [ ]

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Moi is likely to reduce the size of his cabinet and almost certainly will select ministers for their loyalty rather than their competence. He relies on a narrow set of advisers who are unwilling to challenge his judgment. [ ]

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The election may shed some light on Moi's primary political challenge—his relationship with the Kikuyu, Kenya's largest and most powerful tribe. Over the past year Moi has taken steps to reduce Kikuyu influence. His most important and controversial move was the ouster of Njonjo, a prominent Kikuyu. [ ]

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The firing of Njonjo consolidated Moi's power and heartened the minority tribes in his coalition. A pattern of Kikuyu support for candidates opposed to Moi, however, would indicate growing resistance to the President's ethnic policies. [ ]

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## **Special Analysis**

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### **EGYPT-US: President Mubarak's Visit**

*The visit to Washington this week of President Mubarak comes at a time when US-Egyptian relations remain firm, despite some policy differences. Mubarak is likely to focus on requests for increased US military assistance. He may voice concern about US military actions in Lebanon and express his fears that the US election campaign will forestall progress toward a comprehensive peace in the Middle East.*

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Nearly two years after assuming power, Mubarak has not achieved wide popularity at home. His cautious style and reluctance to make major policy changes continue to inspire charges that he has done little to solve Egypt's complex economic and social problems. At the same time, however, many Egyptians acknowledge that the President is hardworking and honest.

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Mubarak's ability to maintain his authority is based on his considerable political skill, a fragmented opposition, the continuation of martial law, and—most importantly—the apparent loyalty of military and security forces. His position probably is secure unless domestic economic conditions suddenly deteriorate and provoke massive civil unrest. He is extremely sensitive to this potential problem and has carefully avoided radical changes in economic policy.

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The Egyptian leader nevertheless may face a difficult third year in office. Parliamentary elections next April will focus public attention on his policies, and the opposition will seek to exploit his vulnerabilities. Moreover, Egypt's deteriorating foreign payments situation will make it difficult for Mubarak's government to continue its cautious approach to economic reforms.

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If austerity measures are imposed, the opposition will have more potent issues to use against the government. Mubarak's ruling National Democratic Party, however, probably will not be seriously challenged in the elections.

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### **Cooperation With the US**

Egypt appreciates the massive US economic and military aid program, but it is seeking some concessions in amounts and terms to achieve closer parity with Israel. Cairo would like more military funds to accelerate purchases of US arms, and it wants a greater share as

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grants rather than loans to reduce its repayment burden. Egypt has been slow in making interest payments to the US on credits extended under the Foreign Military Sales program. [ ]

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Cairo also would like a share of US economic aid as a cash transfer such as Israel receives. This would be particularly helpful as Egypt's foreign payments problems increase in the months ahead. [ ]

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Under Mubarak, Egypt has cooperated closely with the US on efforts to support the governments of Chad, Sudan, and Lebanon. This summer the Egyptians participated in major military exercises with the US. [ ]

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Cairo remains reluctant, however, to agree to military cooperation that would infringe on Egyptian sovereignty. This includes granting "basing rights" to the US and stationing US troops on a permanent basis. [ ]

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### **Israel, Lebanon, and the Peace Process**

Israel's invasion of Lebanon caused Egypt to freeze the normalization of relations, and a "cold peace" now exists between Cairo and Tel Aviv. The continued Israeli occupation of southern Lebanon, the expansion of settlements in the West Bank, and the unresolved territorial dispute over the Sinai border at Taba are all impediments to closer ties. Cairo appears resigned to a prolonged diplomatic stalemate with Tel Aviv. [ ]

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Egypt realizes it has little power to affect events in Lebanon, but it has tried to play a quiet diplomatic role by offering advice to the US and by trying to maintain a dialogue with Syria and the Palestinians. Egyptian officials probably are worried, however, that Washington's recent actions in Lebanon will be viewed in the Arab world as pro-Christian. [ ]

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In recent months Egyptian officials also have expressed concern that US concentration on Lebanon has sidetracked efforts to work toward a comprehensive peace settlement in the Middle East. Cairo continues to support the US initiative of last year, but it believes Washington's determination to pursue peace efforts is waning with the approach of the elections in 1984. Egyptian officials have indicated that, if the US plan collapses, they will consider a joint initiative with France at the UN or an international conference. [ ]

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**Other Foreign Policy Issues**

Egypt's relations with the USSR have thawed somewhat since Sadat expelled the Soviet Ambassador in 1981. Cairo, however, is in no hurry to exchange ambassadors. Mubarak remains concerned about a possible negative US reaction to closer Egyptian-Soviet ties. Moreover, he is genuinely wary of Soviet ambitions in the Middle East and Africa. [ ]

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Under Mubarak, relations between Egypt and other Arab states have improved substantially. Considerable discreet cooperation exists with moderate Arab states. In addition, Iraq's need for military assistance has overcome old enmities with Baghdad. [ ]

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In recent months Syria has softened its press attacks on Egypt. Tension continues between Egypt and Libya, however, as a result of Tripoli's military and subversive activities in Chad and Sudan. [ ]

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Egypt is trying to reassert its influence within the Nonaligned Movement, in part to weaken charges of overdependence on the US. Cairo believes that its interests in the group of nonaligned states parallel those of Washington, including efforts to strengthen the role of moderate states and to deny Cuba a leadership role. [ ]

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